

VERMONT EMPLOYMENT GROWTH INCENTIVE

COMMON ERRORS ON VEGI APPLICATIONS

The following are common errors made on VEGI Applications. Before submitting your application, please review these issues carefully and ensure that you have avoided them. Reviewing these issues prior to submitting your application will avoid unnecessary delays or inclusion of data that results in an inaccurate incentive estimate. Please mark an "X" next to each item if you have reviewed the issue, check the certification at the bottom of this page, if true, and submit attach to your application.

GENERAL:

- ___ I have read the Line-by-Line Application instructions and followed them as I completed the application.
- ___ The Activity Commencement Date I entered in Data Part 1 occurs **after** the date I expect to have my **Initial Application** considered by the Vermont Economic Progress Council (or **Final Application** if an Initial Application will not be filed). I understand that **all** the activity (jobs, payroll, and capital investments) projected on this application for Years 1 through 5 will occur because of the incentives applied for and will occur **after** the Activity Commencement Date I have entered.
- ___ All the data in Data Part 2 is entered on a **calendar year basis** (not on a company tax year or fiscal year basis)?
- ___ All new employees included on the application will work in Vermont? They will not be employed by the applicant in another state.
- ___ None of the employees included are or will be either owners that own 10% or more of the company, contract employees, or employees that work outside of Vermont.
- ___ All the data included in Data Part 1 ("As of Activity Commencement Date") represents expected employment and annualized payroll as of the day before the Activity Commencement Date indicated in Data Part 1 and all capital investments shown in this section occurred or will occur between January 1 and the day before the Activity Commencement Date?
- ___ All capital investments included in Data Part 1, for Year 1 represent capital investments that will be made between the Activity Commencement Date and December 31 of Year 1?
- ___ I have entered payroll data in Data Part 2 on the Payroll Target line. This data is the annualized payroll for the new qualified employees indicated on the New Qualified Employee Line, isolated for each year. This line is not cumulative and does not include increases.
- ___ The applicant company can create the new qualified jobs indicated in Data Part 2 and make the new qualified capital investments indicated in Data Part 2 by DECEMBER 31 of Year 1.

- ___ The employees included as “Existing Qualified” and “New Qualified” employees meet (or will meet) the qualifying definition: Full-time (35 hours or more per week), permanent, non-owner, earning greater than the VEGI wage threshold.
- ___ The employees included as “Non-qualifying” meet or will meet the “non-qualifying” definition, which is the same as the qualifying definition except that the employee earns at or below the VEGI wage threshold. No other type of employee, such as part-time, owners, or employees that do not work in Vermont are included in this category.
- ___ The payroll amounts (both historic, current and future) **do not** include the value of benefits that are not paid directly to employees in their W2 Medicare wages and therefore represent only W2 Medicare wages and salaries?
- ___ The payroll amounts (both historic, current and future) **do not** include the value of income from non-statutory stock options.
- ___ The projected new qualifying jobs and payroll account for attrition and are therefore **net, new** jobs? For example, if you currently have 10 qualifying employees and you project adding 10 new jobs in Year 1 and you know you have a 1% attrition rate, you should only project 9 net, new jobs and the accompanying payroll. The new jobs cannot backfill for jobs lost to attrition and other reasons.
- ___ The full-time payroll level indicated in Data Part 2 for December 31 of Year 0 and the Activity Commencement Date are as accurate as possible? This is your base payroll. If the number is wrong and you do not have that level of payroll at the end of Year 1, incentives cannot be earned because you have not maintained base payroll.
- ___ I have entered data in Data Part 3 indicating the calendar year quarter during which most of the new qualifying employment will be added for each year.
- ___ If this is an Initial Application, I have attached a letter from the appropriate Regional Development Corporation, a Letter of Good Standing from the Vermont Department of Taxes, any documentation that supports my But For, and a copy of my business plan.
- ___ If this is a Final Application, I have attached a letter from the appropriate Regional Development Corporation, Regional Planning Commission, and municipality, and a letter of Good Standing from the Vermont Department of Taxes, any documentation that supports my But For, a copy of my business plan, and a completed VEGI Base Employment and Payroll Workbook.

Certification:

- ___ I understand the potential areas of error indicated above and have double-checked my Preliminary Application against each issue.

Name: _____

Date: _____

Title: _____

Company: _____